

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1153 be amended to read as follows:

- 1       Page 1, between the enacting clause and line 1, begin a new  
 2       paragraph and insert:  
 3       "SECTION 1. IC 4-31-7-1, AS AMENDED BY P.L.233-2007,  
 4       SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5       JULY 1, 2008]: Sec. 1. (a) A person holding a permit to conduct a  
 6       horse racing meeting or a license to operate a satellite facility may  
 7       provide a place in the racing meeting grounds or enclosure or the  
 8       satellite facility at which the person may conduct and supervise the  
 9       pari-mutuel system of wagering by patrons of legal age on the horse  
 10      races conducted or simulcast by the person. The person may not permit  
 11      or use:  
 12      (1) another place other than that provided and designated by the  
 13      person; or  
 14      (2) another method or system of betting or wagering.  
 15      However, a permit holder licensed to conduct gambling games under  
 16      IC 4-35 may permit wagering on slot machines at a racetrack as  
 17      permitted by IC 4-35.  
 18      (b) Except as provided in section 7 of this chapter, ~~and~~ IC 4-31-5.5,  
 19      **and IC 4-31-7.5**, the pari-mutuel system of wagering may not be  
 20      conducted on any races except the races at the racetrack, grounds, or  
 21      enclosure for which the person holds a permit.  
 22      SECTION 2. IC 4-31-7-3 IS AMENDED TO READ AS FOLLOWS  
 23      [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The following equipment  
 24      must be provided and maintained in good working order at each permit

holder's racetrack or satellite facility, as applicable:

(1) A totalizator for win, place, and show wagering. The totalizator must:

(A) be of a design approved by the commission;

(B) be capable of registering by automatic mechanical, electric, or electronic means on central aggregators all wagers made on each horse, entry, or the field in each of the win, place, and show pools;

(C) display the totals wagered in a manner that permits ready tabulation and recording of those totals by the commission's representative before they are cleared from the central aggregators; and

(D) display to the public on a board running totals of amounts wagered in each of the win, place, and show pools on each entry in each race.

(2) A telephone system connecting the judges' stand with the office of the pari-mutuel plant and any other stations considered necessary by the commission.

(3) A system of bells that shall be rung from the judges' stand to signal the close of wagering.

(4) A button in the judges' stand that, when pressed, will lock ticket-issuing machines and close wagering for each race.

(b) In addition to the requirements of subsection (a), a permit holder may conduct exotic wagering only by the use of automatic mechanical, electric, or electronic devices that:

(1) print and issue tickets evidencing individual wagers;

(2) locally print a permanent record of the tickets issued by each machine or register on central aggregators by automatic mechanical, electric, or electronic means the total dollar value of those tickets; and

(3) permit ready tabulation and recording of those figures by the commission's representative before they are cleared from the central aggregators.

**(c) The commission may waive the requirements of subsection (b) if the commission determines by rule that other systems or technologies are available and sufficient to safeguard the public.**

**(d) This section does not apply to a licensed SPMO (as defined by IC 4-31-7.5-5).**

SECTION 3. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

#### **Chapter 7.5. Advance Deposit Wagering**

**Sec. 1. In enacting this chapter, it is the intent of the general assembly to recognize changes in technology for pari-mutuel wagering and to retain for the Indiana horse racing industry a portion of revenues generated by Indiana residents on wagers**

placed with secondary pari-mutuel organizations.

Sec. 2. As used in this chapter, "account holder" means an Indiana resident who has established an advance deposit wagering account.

Sec. 3. As used in this chapter, "advance deposit wagering" means a system of pari-mutuel wagering in which wagers, made in person, by telephone, or through communication by other electronic means, are debited and payouts credited to an account.

Sec. 4. As used in this chapter, "advance deposit wagering account" means an account for advance deposit wagering held by a licensed SPMO.

Sec. 5. As used in this chapter, "licensed SPMO" means a secondary pari-mutuel organization licensed under this chapter.

Sec. 6. As used in this chapter, "other electronic means" means communication by any electronic communication device, including personal computers, the internet, private networks, interactive televisions and wireless communication technologies, an Interactive computer service as defined in IC 35-45-5-1, or other technologies approved by the commission.

Sec. 7. As used in this chapter, "secondary pari-mutuel organization" means an entity that offers advance deposit wagering.

Sec. 8. As used in this chapter, "source market fee" refers to the amount of an advance deposit wager made on any race:

(1) through a licensed SPMO; and

(2) by an individual whose principal residence is within Indiana at the time the wager is made;

that a permit holder is entitled to receive from the licensed SPMO under the terms of the contract required by section 10 of this chapter between the licensed SPMO and each permit holder.

Sec. 9. Advance deposit wagering is permitted in Indiana, subject to this chapter and to rules adopted by the commission.

Sec. 10. (a) A licensed SPMO may accept wagers for races conducted within or outside Indiana. Wagers made under this chapter are considered to have been made in Indiana.

(b) A licensed SPMO must have a single written contract signed by each permit holder. The contract must be approved by the commission. The contract must:

(1) specify the manner in which the amount of the source market fee is determined for each permit holder; and

(2) govern all other aspects of the business relationship between the licensed SPMO and each permit holder.

(c) A permit holder may not enter into an exclusive agreement with a licensed SPMO.

Sec. 11. The commission shall adopt rules under IC 4-22-2, including emergency rules, to implement this chapter, including but not limited to rules that prescribe:

(1) procedures for verifying the age of a person opening an advance deposit wagering account or placing a wager with a licensed SPMO;

(2) requirements for opening and administering advance deposit wagering accounts;

(3) a guarantee or acceptable surety that the full value of balances in an advance deposit wagering account will be paid;

(4) record keeping requirements;

(5) licensure procedures, including investigation of applicants, forms for licensure and procedures for renewal; and

(6) civil penalties for violations of this chapter or a rule adopted by the commission.

Sec. 12. A licensed SPMO shall comply with all applicable federal laws.

Sec. 13. A secondary pari-mutuel organization applying for a license under this chapter must provide:

(1) Written evidence of approval, by the appropriate regulatory authority in each state where the secondary pari-mutuel organization is licensed, to conduct advance deposit wagering.

(2) A copy of a proposed contract executed by the applicant and each permit holder to satisfy the requirements of section 10 of this chapter.

(3) A nonrefundable application fee of five thousand dollars (\$5,000).

(4) A complete application on a form prescribed by the commission.

(5) Any other information required by the commission.

Sec. 14. The commission may require an applicant to pay any costs for background checks, investigation, and review of the license application in excess of five thousand dollars (\$5,000).

Sec. 15. (a) The commission may issue to a secondary pari-mutuel organization a license to offer advance deposit wagering to Indiana residents if the commission:

(1) finds that the applicant satisfies the requirements of this chapter and the rules adopted by the commission under section 11 of this chapter; and

(2) approves the contract submitted under section 13 of this chapter.

(b) The term of a license issued under this chapter is one (1) year.

(c) The annual license renewal fee is one thousand dollars (\$1,000).

Sec 16. The total amount of source market fees to be paid to purses shall be determined by contracts between a permit holder and the applicable horsemen's associations, subject to approval of the commission.

1       **Sec. 17. A secondary pari-mutuel organization that is not**  
 2       **licensed under this chapter may not accept a wager from a person**  
 3       **whose physical location is within Indiana at the time the wager is**  
 4       **made.**

5       **Sec. 18. A person less than twenty one (21) years of age may not**  
 6       **open, own, or have access to an advance deposit wagering account.**

7       **Sec. 19. (a) A permit holder has a right of action against a**  
 8       **secondary pari-mutuel organization that accepts a wager in**  
 9       **violation of section 17 of this chapter.**

10       **(b) If the plaintiff prevails in an action filed under this section,**  
 11       **the plaintiff is entitled to the following:**

12           **(1) An injunction to enjoin future violations of this chapter.**

13           **(2) Compensatory damages equal to any actual damage**  
 14           **proven by the plaintiff. If the plaintiff does not prove actual**  
 15           **damage, the plaintiff is entitled to presumptive damages of**  
 16           **five hundred dollars (\$500) for each wager placed in violation**  
 17           **of this chapter.**

18           **(3) The plaintiff's reasonable attorney's fees and other**  
 19           **litigation costs reasonably incurred in connection with the**  
 20           **action.**

21       **(c) A secondary pari-mutuel organization that accepts a wager**  
 22       **in violation of section 17 of this chapter submits to the jurisdiction**  
 23       **of Indiana courts for purposes of this chapter."**

24       Page 17, between lines 28 and 29, begin a new paragraph and insert:  
 25       "SECTION 10. IC 35-45-5-5 IS AMENDED TO READ AS  
 26       FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. The provisions of  
 27       this chapter do not apply to:

28           **(1) pari-mutuel wagering conducted at racetrack locations or**  
 29           **satellite facilities licensed for pari-mutuel wagering under**  
 30           **IC 4-31; or**

31           **(2) wagering on horse races conducted through advance**  
 32           **deposit wagering accounts authorized by IC 4-31-7.5."**

33       Renumber all SECTIONS consecutively.

(Reference is to HB 1153 as printed January 25, 2008.)

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Representative Reske